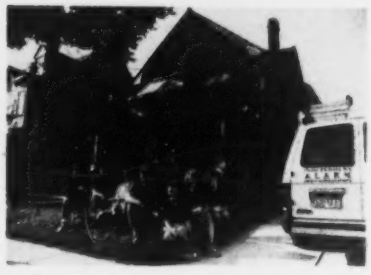
Security Distributing & Marketing
1992 Distributor Source Guide
Annual Industry Survey Results
Keep Priceless Relics Safe
Study Assesses Security Industry
A CAHN
OCTOBER 1992
Tips That Close Sales
NATIONAL BURGLAR & FIRE ALARM
SECURING AMERICA

52 *Listen to the customer to clinch a sale.*

60 *Individual personalities influence statistics.*



77 SDM's *1992 distributors guide.*

Security Distributing & Marketing®

A Cahners Publication *Volume 22, No. 12* *October 1992*

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Security dealer Craig Shelton uses his listening and communication skills to help him sell successfully. Shelton owns CDS Security Systems in Houston. See page 52 for additional selling tips.

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Survey Crafts a Dealer Profile

The color and diversity of the lives of individual alarm dealers make survey statistics come alive.

By Laura E. Stepanek
Senior Editor, SDM

Survey results have one major drawback. Although they provide a lot of information that can be useful for forecasting and planning, they also can be mind-boggling at times. Means, medians, and percentages—how do they relate to real life? It's not until you meet the people who make up these statistics that they become meaningful.

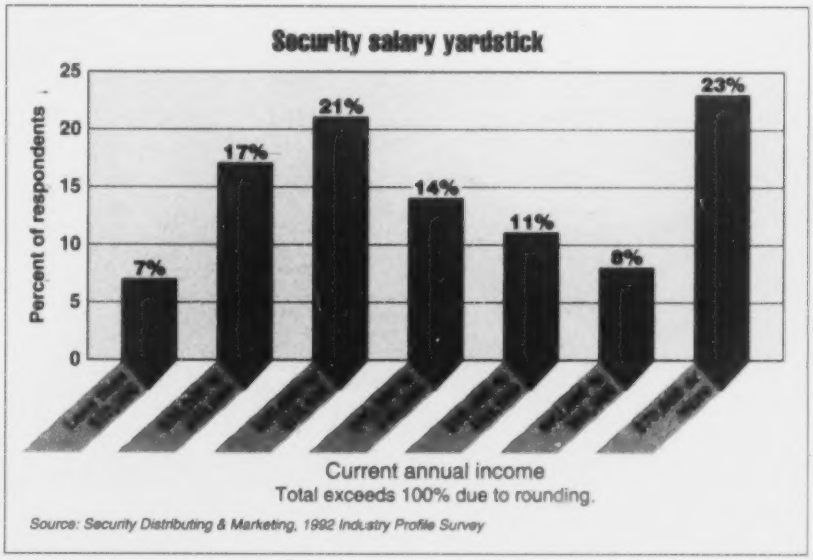
For example, *Security Distributing & Marketing*'s 1992 Industry Profile Survey, conducted in the May issue of *SDM*, tells us that the "average" security dealer is a 43-year-old male who is self-employed and earns $46,150 a year. But what does that really say about the thousands of professionals who make up the security industry?

Of the 371 dealers who responded to the survey by the cut-off date of July 13, 68% have completed two years of college or less, while 24% have earned a bachelor's degree, and 8% hold a master's degree or higher.

The averages also tell us that 28% have worked in the alarm industry for less than 10 years, 44% for 10 to 20 years, and 28% for 20 or more years. A large majority, 86%, plan on staying in the industry for at least 10 more years. Of those who don't, most are aged 50 or older.

Statistical averages are misleading in this kind of survey because the average alarm dealer is everybody in general and yet no one in particular. The individual survey responses are what tell us the true story. There are some younger dealers who want to get out of the industry and some older ones who plan to stay in it as long as they can.

Take Milton Pierce, for example. He founded Guardian Alarm Co., Southfield, MI, in 1932. He's now 77 years old and chairman of the board of the $20 million-a-year firm, which ranks No. 19 on the 1992 SDM 100. Pierce has no intention of retiring.



The average annual salary for a security professional is $46,150. Although more than a fifth of dealers earn $70,000 or more a year, most of these dealers are 50 years or older.

"I've always liked the business. I don't do it for the money anymore. I don't need the money. I'm one of those lucky few people who really enjoy going to work every morning and seeing the general activity that goes on and the improvements that we've made.

"I truly enjoy taking care of customers. A lot of them, if they have a complaint, will still call up and talk to me," Pierce says.

Pierce represents the majority of alarm dealers with his genuine interest in helping customers meet their needs and solve their problems. In fact, the survey results show that the No. 1 aspect dealers like about the alarm industry is solving challenging problems, mentioned by 64%, followed by providing security for the public, mentioned by 53%.

"I was a police officer for 15 years. When you see crime first-hand—homes broken into and assaults—being on this end of the business and getting there before [crime] happens is a good feeling," says Bill Mickle III, vice president/sales and marketing, New England Dynamark Security Center, Pittsfield, MA.

Nearly one in four dealers mentioned that what they like best about the alarm industry is working with customers.

"I like the variety of people and the types of businesses. I may be in the back room of an auto dealer one day and in a coin shop the next day. I get to talk

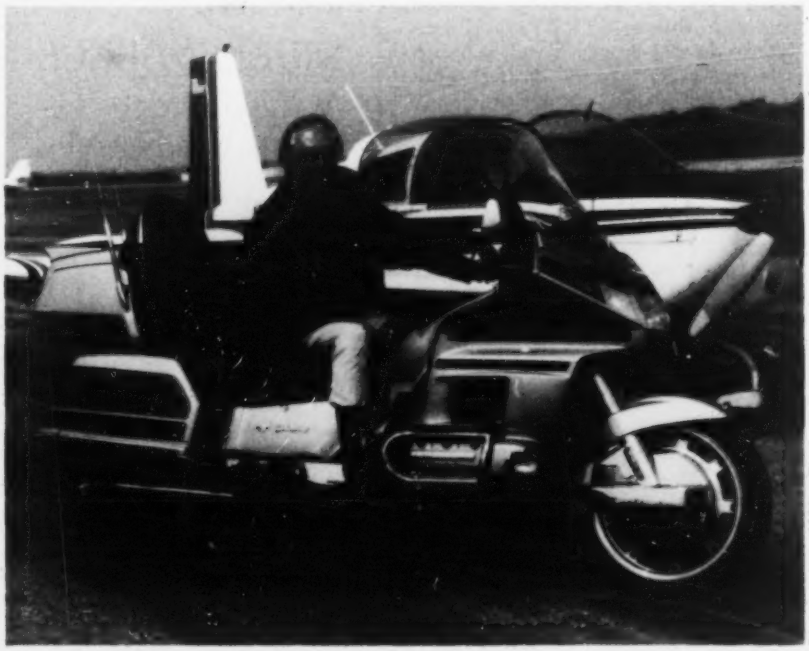


Photo courtesy of Milton Pierce

Milton Pierce of Guardian Alarm Co., who has ridden a motorcycle since he was a teenager, recently took up flying at age 77.

to people and learn a lot about a lot of different businesses," says Ed Bruerton, president of Anchor Alarm Inc., Sandy, UT.

"I also like solving problems, hiding wire, making a nice, neat job. I enjoy that," he says. Bruerton has been in the alarm industry for 21 years.

Bruerton and nearly half of the other dealers in the survey said they like having the ability to work independently. "It's really nice to be independent. If my kid has a program at school, most of the time I can go. If I have to fight a traffic ticket, I can do it without being docked 3 hours pay," Bruerton says.

Industry stewardship

Many of the dealers in *SDM*'s Industry Profile Survey are very active in the industry. Nearly three-fourths say they belong to an association and 43% say they actively participate in association and/or industry activities. Slightly more than a fourth of dealers contribute to industry fund-raisers and more than a fourth, again, serve in a leadership or contributory role for an association.

"I think the NBFAA is really on the right track with the expansion it has done over the past few years. Recently, [the Utah Alarm Association] became a chapter [Charter State Association] of the national [organization]. I'm encouraged with that, getting more smaller companies involved. I think we'll have a voice instead of a bunch of little guys yammering when they get burned. I think having a national voice and being organized when a battle comes up like the telco battle makes a difference. It gives us a more professional image," Bruerton says.

Tom Gifford, president of Gifford Electronics Inc., Kennesaw, GA, is an individual member of the National Burglar & Fire Alarm Association and vice president of the Georgia Burglar & Fire Alarm Association, which is not a Charter State Association. He's also immediate past director of GBFAA and serves on two committees.

"I get involved because somebody has to do it. I like being involved. I wish more dealers would be involved. I think it would make all of our jobs much easier," Gifford says.

"We'd have more bargaining power, more power at the ballot box when our industry needs things done. The Regional Bell Operating Companies [RBOCs] issue is an example of what can be done if we stick together as an industry. I don't feel like we do that on a day-to-day [basis]," he says.

Gifford puts his finger on the No. 1 dislike dealers have about the security industry: price sensitivity, mentioned by 52% of the respondents to the Industry Profile Survey.

"If I had to say one thing [that I dislike most], it's having to compete with the mass marketers and having to explain to my prospective clientele why I'm asking them to pay $1,200 to $1,400 for an alarm system when they've just heard on the radio that they can get it for free. It's extremely difficult to get my point across without saying things that will be detrimental to my competitors. Their entry into the marketplace has made my job much harder," Gifford says.

The survey results also show that 48% of dealers are unhappy about a lack of public awareness of security. Perhaps these dealers mean that people have a general lack of knowledge about what it costs to install an alarm system and that they don't understand that companies that install them for free lose money on installations. But to Gifford and perhaps others, it means that people generally are not aware of the effectiveness of alarm systems.

"The public has misconceptions about security. One of the main sources is probably police departments. They don't understand or appreciate what the security industry has done for crime prevention over the years," he says.

Tied for second place on the list of dealer dislikes is false alarms, followed by legal liability, mentioned by 39% of dealers.

Although a substantial number of dealers like the independence of owning their own businesses, many don't appreciate the paperwork that comes with the business of being independent.

"The No. 1 thing I don't like is all the darn paperwork—the government forms you have to fill out for employee records and taxes," says Fred Onucki, vice president and general manager of Ace Electronic Alarm, Metuchen, NJ.

Onucki works for a three-man company. "Being a smaller company, I get involved with everything," he says, which includes sales, installation, and the operations end of the business, all of which involves paperwork.

"It goes on and on and on," Bruerton says. "Every day there are more forms to fill out. For property taxes, they want a detailed description of every alarm sys-

SDM's *Industry Profile Survey reveals the people behind the statistics.*

tem that we lease, including an acquisition date of the property. We take equipment out of one place and put it somewhere else. We don't keep track of it like that. It doesn't have serial numbers.

"I don't have computers and secretaries to take care of this stuff. I ignore as much as I can and do what they tell me to do about the rest. [Government paperwork] is like alligators—you try to stay out of their way as much as possible," he says.

A relatively small percentage, 16%, of the dealers in the survey mentioned that equipment and/or service problems were one of the things they liked least about the industry. Quality of equipment may be one reason why. More than 9 out of 10 dealers feel that their companies use either the best equipment available or equipment of above-average quality.

In the past 12 months, business has been tough for many dealers. The top answer given by dealers to a question about their biggest business challenge during this time is hiring dependable people, mentioned by 25%. Effective marketing, 22%, and outselling the competition, 18%, followed.

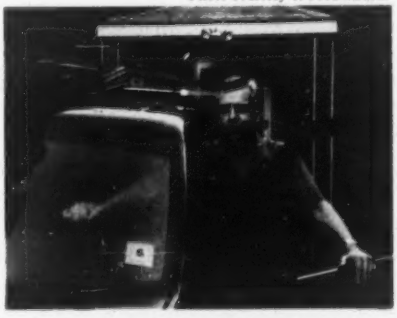
"You do have to get out there and pound on doors, pass out business cards, and go to business-card exchanges. Let everyone know you're there and available and willing to give free estimates," Onucki says.

"Some of our competition has been coming in with pretty low prices. I hesitate to do that because it will snowball and then everybody will do it and nobody will be better off. We do quality work. We're proud of what we do and to do it costs money," he says.

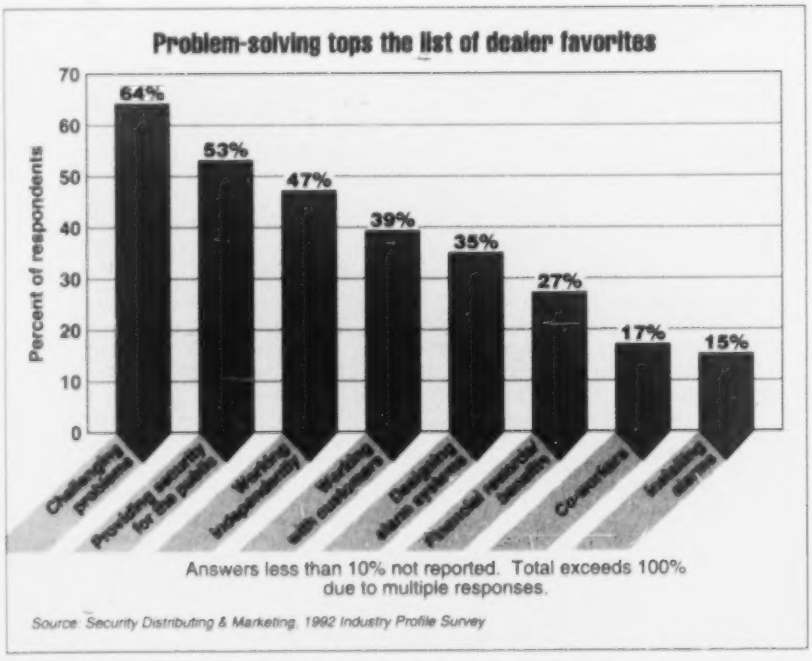
Onucki isn't the only dealer to complain about competitors that appear to be in business simply to secure large numbers of accounts, then sell them off.

"I think instead of everybody being

Photo courtesy of Fred Onucki



Fred Onucki of Ace Electronic Alarm thinks the alarm dealer of the future will have to offer some high-tech systems, such as home automation and closed-circuit television, to compete with potential major mass marketers like the telephone companies.



Security dealers like to be challenged and to use their skills to solve problems—the aspect of the security business that appeals most to dealers.

KingAlarm review

INDEPENDENCE
In the Alarm Security Industry

The rapid growth of the alarm security industry over the last decade caused important changes in the relationships between manufacturers, alarm dealers and their sources of supply.

Along with the myriad of effective, reliable systems brought about by the new technology, the need evolved for impartial technical evaluation and information.

As the market has expanded, the sources of supply have become more and more centralized. The distinction between manufacturer and distributor has become blurred. As the industry continues to mature, the alarm dealer's challenge to obtain impartial information increases.

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The 'average' dealer is 43 years old, self-employed, and earns $46,150.

so concerned about how much money they can get for their businesses, they should be concerned about other things," says Joseph Pfefer, president of Jade Alarm Co., Kansas City, MO. "Don't get me wrong, everyone has to earn a decent living. But everybody is so interested in getting their multiples up and selling out. My philosophy is like [the business philosophy in] America used to be. Yes, you have to take care of yourself, but what you do impacts everybody. The old excuse [for poor customer service] of, 'well that's just business,' just doesn't cut it with me."

Pfefer has spent 23 years in the security industry. He started when he was 16 years old, because someone attempted to burglarize his family's home. He eventually bought a digital receiver and began monitoring accounts from his home.

"It's easier today for someone to get into the industry than it was back then. You don't have to set up your own central station. For $5 a month, you can have your accounts monitored by someone else," he says.

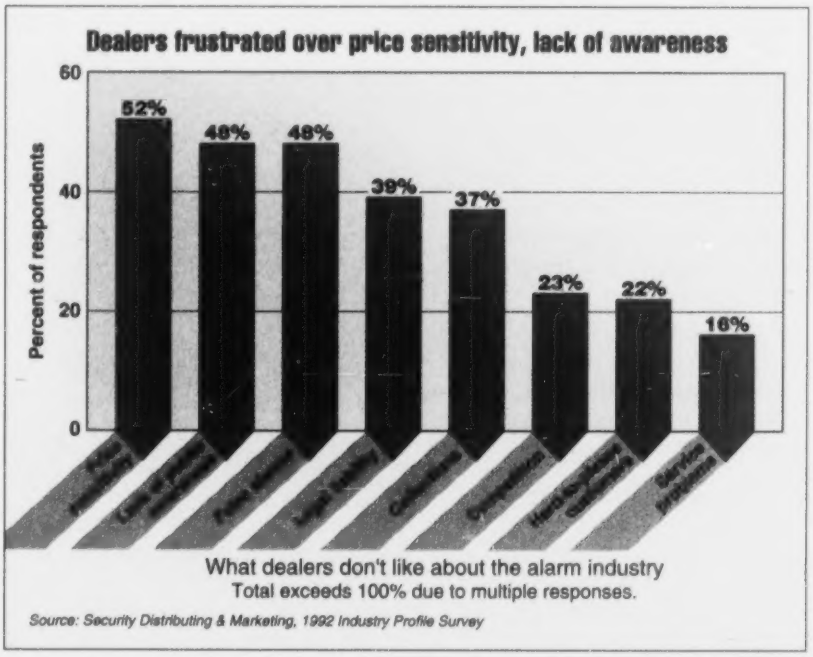
When they're not at work, security dealers can be found any number of places. Most of them spend time with their families, according to the Industry Profile Survey.

"My wife and I take an exotic trip every year. We went on two cruises and we're going to Cancun this year and Bermuda next year," Mickle says. "Not since I've been out of the military have I had the opportunity or the finances to travel like this. It's nice to see new places and new cultures."

Mickle and his wife are heavily involved with charity work. As a Dynamark Security Center franchise, they are involved with the National Center for Missing and Exploited Children. Mickle also is on the board of directors for Citizens Against Child Abuse in Pittsfield, MA. He participates in a

Photo courtesy of Kathy and Bill Mickle

Kathy and Bill Mickle of New England Dynamark Security Center, fingerprint a child as part of their work for the National Center for Missing and Exploited Children.



Factors that affect sales efforts—price sensitivity and lack of public awareness—top the list of dislikes that alarm dealers have about the security industry.

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'I get involved because somebody has to do it.'

1950s variety show that raises money for the organization.

"I sing and dance and make a fool of myself," he laughs. But the money goes to a good cause. It funded the construction of an interview room and the necessary video equipment for it, so that children don't have to personally testify in court.

More than half of the dealers (52%) surveyed have purchased a luxury car during their security careers. Many also travel extensively (41%) and collect different things (46%). Gifford, a retired telephone company employee, collects antique telephone equipment, which he "saved from the Western Electric crusher." He also has collected hundreds of beer steins over the years.

Other interests involve relaxation...

"I like to read a lot," Bruerton says. "Just about anything that's printed, novels, trade magazines, two newspapers a day. I always have something in my car so if I have to wait for a customer I have something to read."

Or personal challenge...

"I'm 77 years old," Pierce says. "Six or eight months ago, I decided I was going to learn how to fly. I took some lessons. I didn't think I'd be able to land, but I did. It's a different experience.

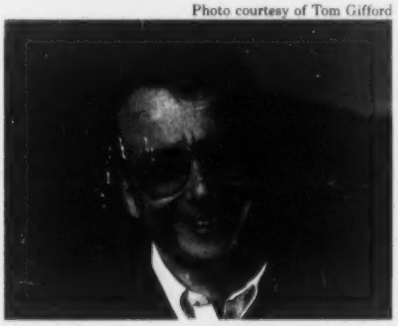
"I bought myself a brand-new Tiger, a single-engine, four-place plane. Last week I flew up to northern Michigan by myself. I didn't sweat quite as much this time."

If we can draw any conclusions from the Industry Profile statistics about alarm dealers, it's that they love a challenge. They are analytical and they enjoy problem-solving. They also like to deal with people and they like variety in their careers.

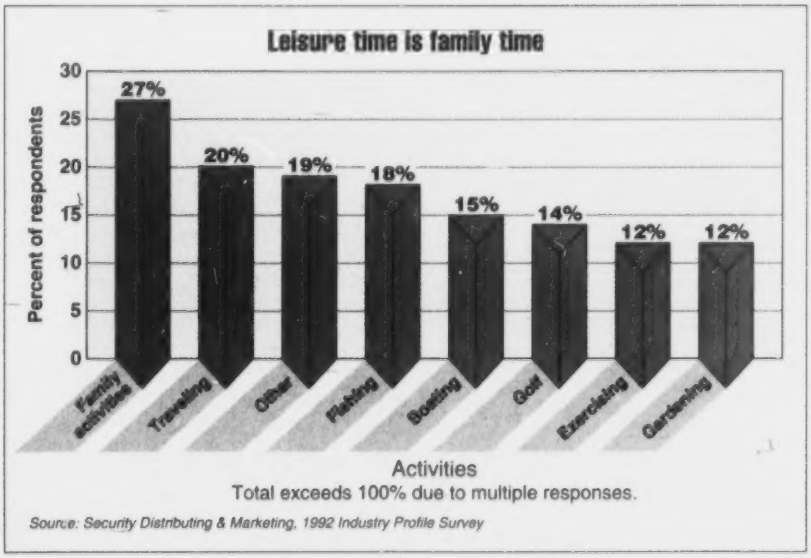
But beyond the statistical averages, each alarm dealer really is as different as hardwire and wireless. Their personalities range from assertive to passive, from thoughtful to outgoing, from progressive to reflective.

"When I first started in security, I lived at home with my family. My mother would answer the phone. I put in about one system a month," Pierce says. "That's when we used those 6-volt dry-cell batteries. I've ridden a motorcycle all my life. I would put the batteries in my saddle bags and off I would go. It was just a wonderful life." **SDM**

Photo courtesy of Tom Gifford



When Tom Gifford of Gifford Electronics Inc. isn't working, he and his wife enjoy snow skiing and fishing.



When security dealers aren't working, they prefer being with their families, traveling, and spending time outdoors fishing, boating, golfing, and gardening.

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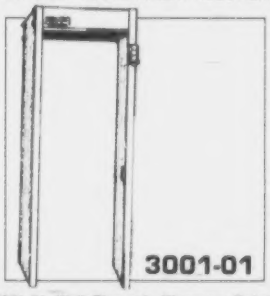

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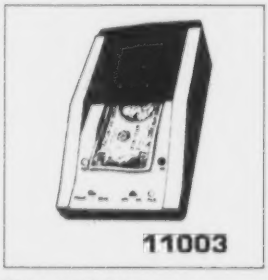


The 11003 Counterfeit Detector is an automated system which allows bills to be fed through the detector. The counterfeit bills will set off an audible alarm and be rejected by the 11003.

COMMERCIAL SECURITY SERIES

Profile of a Commercial Burglary

Cash-based businesses and companies that keep high-value merchandise and equipment are popular targets for burglars.

By Simon Hakim and Andrew Buck

A study of burglaries and alarm ownership, conducted in three Philadelphia suburbs between 1989 and 1991, produced a detailed analysis of security at residential and commercial premises. The results of the residential portion of the study, first published in a report, "Effectiveness of Burglar Alarms," were presented in four articles in SDM (April, June, July, and August 1992).

This article—the first of a three-part series about the commercial market to be published in SDM—will offer a profile of commercial burglaries and examine which sites are most vulnerable. Upcoming articles will explain the characteristics of commercial alarm owners, the effectiveness of their alarms, and their level of satisfaction. (See "How the survey was conducted.")

A study that examined burglaries and alarm ownership in commercial premises sheds some light on which types of businesses suffer the most from burglaries. Several patterns emerged:

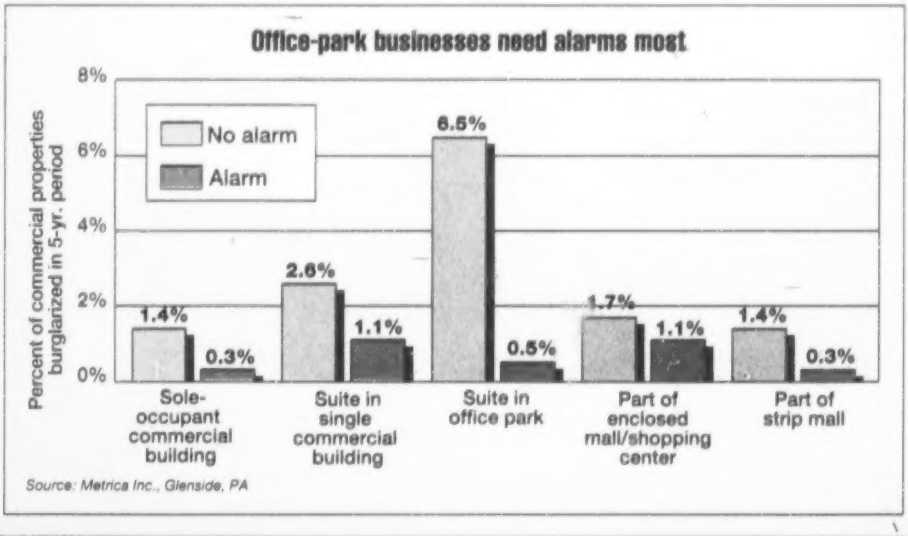
- The probability of commercial establishments being burglarized increases with their distance from major roads.
- In general, businesses that deal with cash or high-value merchandise and equipment, such as cameras, jewelry, computers, and office machines, are more likely to be burglarized than those that don't.
- Nighttime burglary is more likely for non-alarmed establishments, while the share of daytime burglaries is larger for alarmed establishments.
- New businesses (in particular, new stores with high-value merchandise), are most vulnerable to burglary.

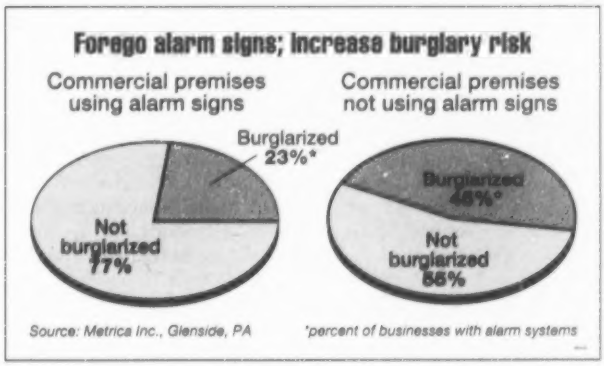
The main motive for commercial break-ins depends upon the nature of the business and whether that business is perceived to have a lot of cash or expensive equipment on the premises.

For example, newer offices that use current-model computers, facsimile machines, and copiers, have the highest risk of burglary, the study showed.

When these types of businesses are burglarized, most managers have a known suspect. In many cases, the burglary is an act of a previous employee (often a drug addict), cleaning personnel, or construction workers from adjacent properties. The police were often notified about the suspect, but the managers were seldom informed about the conclusion of the investigation, according to the study.

Companies located in office parks and retail businesses located in shopping centers and strip malls are prime targets for burglars attacking commercial premises.




Forego alarm signs; increase burglary risk
Commercial premises using alarm signs
Commercial premises not using alarm signs
Burglarized 23%*
Not burglarized 77%
Burglarized 45%*
Not burglarized 55%
Source: Metrica Inc., Glenside, PA
*percent of businesses with alarm systems

In a study of businesses with security systems, those that displayed alarm signs experienced a lower share of burglaries (23%) than those that didn't (45%).

Retail stores also are very attractive to burglars. The study showed that an alarmed store in a shopping mall is nearly five times more likely to be burglarized than an alarmed business that is the sole occupant of a single building, and nearly three times more likely than an alarmed business in an office-park suite. The reason is obvious: retail merchandise is exposed so burglars know precisely what their expected loot is.

Police records used in the study revealed that retail burglaries follow a similar pattern: stores that are hit contain high-value merchandise. Only a few items, which are visible from the outside, are stolen. Break-ins last less than 10 min. Such stores often have an alarm, but the burglar usually is gone before the police arrive. This may suggest the necessity for police/security guard presence at malls.

Because alarmed retail establishments suffer from a high burglary rate, this does not mean that alarms are ineffective at those sites. The burglary rate would have been slightly higher in the absence of an alarm, the study showed.

Unlike burglary at retail stores, burglary at service, manufacturing, and wholesale businesses has a highly uncertain pay-off because the merchandise isn't visible. In the case of warehouses and manufacturing plants, the study showed that perpetrators often break into fenced storage areas that are not protected by an alarm and often are poorly lit.

The presence of an alarm system also plays a role in burglary risk. The study showed that a non-alarmed suite in a single office building is 1.5 times more likely to become a burglary target than an alarmed suite.

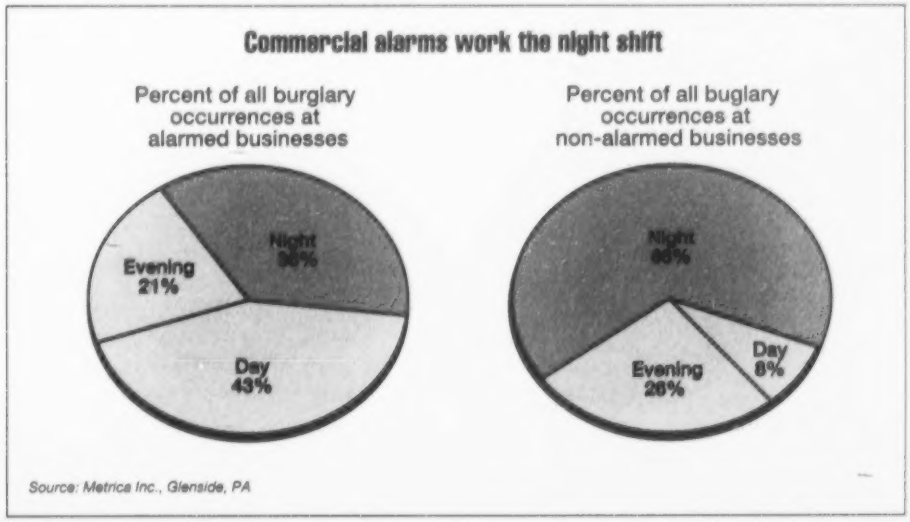
But unalarmed suites in office parks are 14 times more likely to be burglarized than alarmed suites in office parks. The office parks in this study are located along a major route that connects one of the world's largest indoor shopping malls with several low-income communities. These buildings are both attractive and visible to drivers along the route. Yet their design and landscaping also offers concealed access to burglars and their expected loot includes new, state-of-the-art electronic office equipment.

Location makes a difference

One major difference in how commercial properties are targeted for burglary compared with residential properties is in their locations. The study showed that homes located within three blocks of major thoroughfares, either alarmed or not alarmed, are almost three times more likely to be burglarized than similar homes located further away.

Commercial establishments, with the exception of retail stores, exhibit the opposite trend. Properties that are further from major arterial roads are more likely to be burglarized. Forty-eight percent of all burglarized, alarmed businesses and 60% of all burglarized, non-alarmed businesses are located more than three blocks from a major arterial road.

Two reasons for this phenomenon are high visibility and the difficulty of breaking into commercial establishments. Commercial, and in particular, retail businesses, usually are located in highly visible areas with heavy pedestrian traffic. In such locations a break-in would be noticeable. Businesses that need easy access to major roads also tend to locate near



The share of nighttime burglaries is lower at alarmed businesses than at non-alarmed firms. The large distribution of daytime burglaries at alarmed establishments is the result of the alarm system being more effective at night, when it is armed.

Businesses five years old or less are frequently burglarized.

major arterial routes, again making a break-in attempt more noticeable.

In addition, doors to commercial establishments are usually secured better than residential doors, because of insurance requirements, thus requiring more time to break in. Most commercial properties offer little concealment for burglars, such as shrubbery. Thus, commercial burglary occurs more often at properties located further from major roads, where the chances of someone noticing a burglar are less likely.

Businesses, excepting retail, that experienced a break-in were more often adjacent to wooded areas or parks than businesses that were not burglarized. Proximity to schools seems not to attract burglars.

An alarm has deterrent value only when it is known that the property is protected by a security system. The study showed that 36% of the companies that were burglarized had a sign, while among non-burglarized companies, 49% had a sign. The probability of burglary of an alarmed property with a sign is 0.23, while the probability of burglary of an alarmed property without a sign is 0.45. Thus, the sign reduces the probability of burglary for alarmed properties by 50%.

Time of burglaries

Burglaries of alarmed and non-alarmed businesses were investigated for both the time of day and the length of time the company was in business when victimized.

Naturally, a burglar alarm system reduced the occurrences of burglary for which time was not known. The occurrence of unknown time of burglary is 26% for companies with a security system and 56% for companies without a system.

After eliminating the cases where time is unknown, the study shows that the daytime burglary rate for alarmed commercial establishments is 5.5 times greater than that of non-alarmed establishments. The share of nighttime burglary of non-alarmed businesses is almost twice that of alarmed businesses. (See the diagram, "Commercial alarms work the night shift.")

This may indicate the obvious: an alarm is more effective when commercial facilities are closed for the night than during daytime business hours when the system isn't armed. The use of video cameras, advertised on alarm signs, and panic buttons may help reduce daytime burglaries.

Newer businesses record much higher burglary rates than older ones. For example, 53% of all commercial burglaries occur at establishments that have been in business less than five years. Of those, the majority, 55%, occur in the first year, and the percentage diminishes through the fifth year.

When alarmed establishments are burglarized, they are overly represented in the population of young businesses. In fact, the share of burglarized, alarmed properties in businesses less than two years old is more than twice the share of their non-burglarized equivalents.

What are the possible reasons that most burglaries occur to new businesses and what does it mean to alarm dealers? In general, new businesses and retail stores are usually more lavishly designed than older businesses, perhaps displaying more current merchandise, which has a high "fence" value.

This means that security companies should focus their efforts on selling alarm systems to new businesses. In addition, the high rate of daytime burglaries at companies with alarms indicates that most systems do not adequately address a basic criterion for effective security—identification of criminals. Visible and/or advertised video cameras can fill this need for identifying burglars.

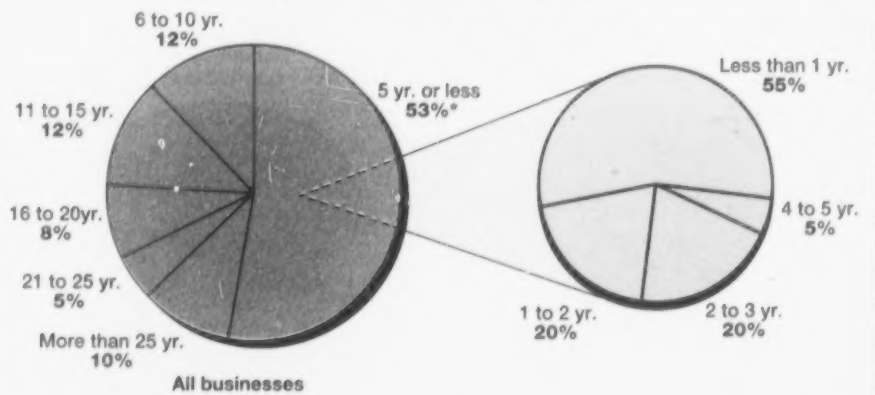
For effective security in commercial facilities, dealers should address three criteria: deterrence through the use of signs and decals, detection with a 24-hr. monitored security system, and identification of burglars with closed-circuit television equipment.

How the survey was conducted

Simon Hakim and Andrew Buck, professors of economics at Temple University, Philadelphia, and founders of the research firm, Metrica Inc., Glenside, PA, conducted a study to understand why burglars choose certain commercial targets. They analyzed police burglary data files of three Philadelphia suburbs from 1989 through 1991. In addition, they mailed questionnaires to a large number of businesses. The survey had a 42% response rate. Complete responses were received from 126 burglary victims, 189 alarm-equipped establishments, and 72 control-group businesses which were neither burglarized nor had an alarm.

Newer businesses receive more than their normal share of burglaries. In general, they are furnished and decorated more attractively and they contain newer, state-of-the-art electronic equipment.

Young businesses are favorite targets



Source: Metrica Inc., Glenside, PA

*percent of all burglarized businesses with security systems

SDM® Update

Statistics on market conditions and trends

Study pegs burglar alarm market at $5.7 billion

By Laura E. Stepanek
Senior Editor, SDM

A new study pegs the burglar alarm market at nearly $5.7 billion, with 60% coming from new installations and upgrades, and 40% from leases, monitoring, and service.

"The picture for the average dealer is strongly influenced by the substantially greater dependence that small dealers have on new installations," reports "The Security Systems Market, Characteristics and Trends," produced by STAT Resources Inc., Brookline, MA.

For example, for dealers that earn less than $1 million annually, new installations generate 59% of their total burglar alarm revenues. For companies in the $1 million to $2.5 million range, new installations comprise 50% of total burglar alarm revenues. For firms with greater than $2.5 million in revenues, that percentage drops to 41%.

In contrast, larger firms depend more heavily on leasing, monitoring, and service for their burglar alarm revenues.

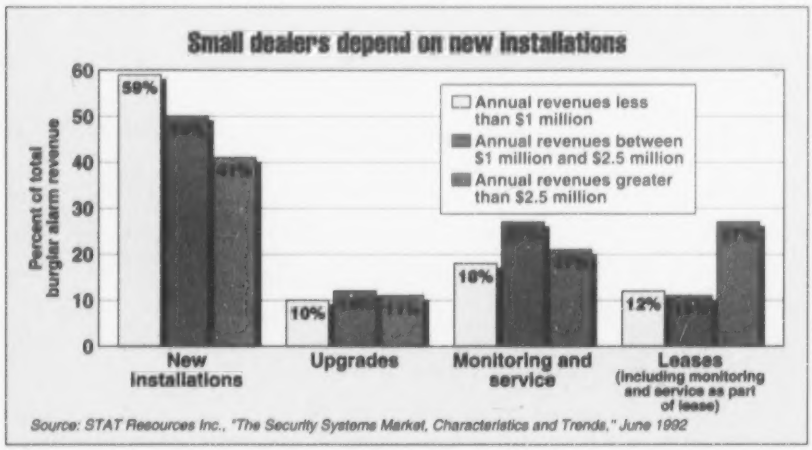
The study estimated that there were slightly more than $9 billion in dealer sales in 1991, including burglar alarm, fire alarm, CCTV, and access control system sales and service. This is $1.2 billion less than *SDM*'s 1991 market estimate of $10.2 billion.

Security dealers are particularly concerned about the competitive impacts of [low] pricing and the Regional Bell Operating Companies (RBOCs) potentially entering the industry, according to the study.

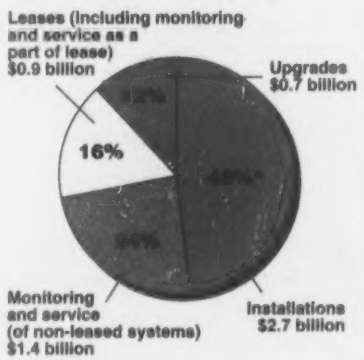
Two-thirds of dealers view these competitive forces negatively, while a fourth of dealers are neutral, and a small percentage thinks they will have a positive effect on industry growth over the next three years.

When asked about political and economic issues affecting growth, the study shows that opinions are split about the impact of both false alarm ordinances and economic conditions. However, dealers are strongly in favor of licensing.

Editor's Note: "The Security Systems Market, Characteristics & Trends," is available from STAT Resources Inc., 822 Boylston St., Brookline, MA 02167; (617)734-2000; fax (617)734-4095. Circle **303** *on the Reader Service Card.*



Source: STAT Resources Inc., "The Security Systems Market, Characteristics and Trends," June 1992


New installations provide half of burglar alarm revenue
Leases (including monitoring and service as a part of lease) $0.9 billion
Upgrades $0.7 billion
16%
Monitoring and service (of non-leased systems) $1.4 billion
Installations $2.7 billion

*percentage of total burglar alarm revenue

Source: STAT Resources Inc., "The Security Systems Market, Characteristics and Trends," June 1992

Sixty percent of burglar alarm revenues are generated by new installations and upgrades and 40% by leases, monitoring, and service (above). The smaller the company, the more heavily it depends on new installations as a revenue source (left).

External factors affecting growth

	Very negative	Somewhat negative	Neutral	Somewhat positive	Very positive
Economic conditions	8%	33%	22%	31%	6%
False alarm ordinances	5%	30%	27%	27%	11%
Licensing regulations	4%	10%	26%	35%	25%

Percent of respondents

Source: STAT Resources Inc., "The Security Systems Market, Characteristics and Trends," June 1992

A majority of dealers expect licensing regulations to have a positive impact on the growth of the industry.

Competitive impacts on business

	Very negative	Somewhat negative	Neutral	Somewhat positive	Very positive
Low pricing	35%	31%	25%	7%	2%
RBOCs	39%	31%	23%	5%	2%
D.I.Y. systems	21%	28%	43%	7%	1%
Other competition	11%	31%	49%	8%	1%

Percent of respondents

Source: STAT Resources Inc., "The Security Systems Market, Characteristics and Trends," June 1992

Competition from the RBOCs and low-priced security companies will have a negative impact on future growth.